

1960

ANNUAL REPORT

OF

The Belt Railway Company

of CHICAGO

FOR THE

YEAR ENDED DECEMBER 31, 1960

BOARDS

MRP6
652,0973
B419a

ORGANIZATION

DIRECTORS

R. G. RYDIN, The Atchison, Topeka and Santa Fe Ry. Co.....Chicago, Ill.
M. I. DUNN, The Chesapeake and Ohio Ry. Co.....Cleveland, Ohio
OWEN F. CLARKE, The Chesapeake and Ohio Ry. Co.....Cleveland, Ohio
DAVID O. MATHEWS, Chicago & Eastern Illinois R.R. Co.....Chicago, Ill.
H. C. MURPHY, Chicago, Burlington & Quincy R.R. Co.....Chicago, Ill.
F. J. CONRAD, Chicago, Rock Island and Pacific R.R. Co.....Chicago, Ill.
GARRET C. WHITE, Erie-Lackawanna R.R. Co.....Cleveland, Ohio
H. A. SANDERS, Grand Trunk Western R.R. Co.....Detroit, Mich.
O. H. ZIMMERMAN, Illinois Central R.R. Co.....Chicago, Ill.
HENRY J. BUCHMAN, Monon R.R.New York, N. Y.
H. W. LARGE, The Pennsylvania R.R. Co.....Chicago, Ill.
J. D. BOND, Soo Line R.R. Co.....Minneapolis, Minn.
H. H. PEVLER, Wabash R.R. Co.....St. Louis, Mo.

At a Special Meeting of the Stockholders held on July 12, 1960, Mr. H. H. Pevler was elected a Director to fill the vacancy created by the resignation of Mr. A. K. Atkinson.

At a Special Meeting of the Stockholders held on January 11, 1961, Mr. H. A. Sanders was elected a Director to fill the vacancy created by the resignation of Mr. F. A. Gaffney, and Mr. J. D. Bond was elected a Director to fill the vacancy created by the resignation of Mr. R. R. Galligan.

EXECUTIVE COMMITTEE

H. W. LARGE, Chairman

F. J. CONRAD
H. H. PEVLER

GARRET C. WHITE
O. H. ZIMMERMAN

OFFICERS

President and General Manager.....L. A. EVANS
Vice President-Traffic.....F. J. WASSON
General Counsel.....F. C. GAGEN
Secretary and Treasurer.....J. R. EKHOLM
Auditor.....I. A. SCHILKE
Assistant Auditor.....C. L. HOLT
Assistant Secretary and Assistant Treasurer.....G. D. MORIARTY

GENERAL OFFICES

DEARBORN STATION, CHICAGO, ILLINOIS

ANNUAL MEETING

SECOND TUESDAY IN APRIL

APR 28 1961 A

GENERAL REMARKS

Chicago, April 11, 1961

To the Stockholders of
The Belt Railway Company of Chicago

The Board of Directors herewith submits its report of operations for the year ended December 31, 1960.

OPERATING REVENUES:

Total operating revenues for the year were \$14,257,516 compared with \$14,962,095 in 1959, a decrease of \$704,579, or 4.7 per cent. Total loaded cars handled in Belt Separate Operation, which comprises the principal source of operating revenue, decreased \$32,283, or 5.5 per cent.

RATES:

The Interstate Commerce Commission authorized certain rate increases under Ex Parte 223 effective October 24, 1960. However, because certain roads who are willing to allow increases to switching lines are not willing to allow such increases to road haul carriers who perform terminal switching service for other roads, the question of increases to switching lines remained unresolved at the close of the year.

Switching charges paid by shippers covering movements inside the Chicago Switching District were automatically increased October 24, 1960, as were certain other charges authorized in the order of the Commission when paid by shippers.

Increases in rates on intrastate business were pending at the end of the year and with few exceptions were resolved favorably by the Illinois Commerce Commission on January 27, 1961.

OPERATING EXPENSES:

Total gross operating expenses in 1960 were \$12,481,383, or \$420,526 (3.3 per cent) less than 1959; higher wage rates amounted to \$184,860. Operating ratio increased to 71.99 from 71.27 in 1959.

MAINTENANCE OF WAY AND STRUCTURES:

Gross Maintenance of Way and Structures expense decreased \$79,667, or 4.8 per cent; that portion chargeable to Belt Railway Separate Operation decreased \$62,392, or 4.9 per cent, reflecting

reduction in expenses principally in accounts "Roadway Maintenance," "Rails," "Other Track Material," and "Track Laying and Surfacing". Increase in account "Signals and Interlockers" is due to renewing three 12-cylinder retarder units on Clearing Yard Hump. Higher wages amounted to \$15,866.

Rail replacements in 1960 were 576 gross tons of new and 889 gross tons of secondhand rail, compared with renewal of 949 gross tons of new and 566 gross tons of secondhand rail in 1959.

There were 6,019 crossties and 114,758 feet B.M. switch ties installed during the year, compared with 4,845 crossties and 121,939 feet B.M. switch ties placed in 1959.

MAINTENANCE OF EQUIPMENT:

Gross Maintenance of Equipment expense decreased \$52,141, or 3.7 per cent; that portion chargeable to Belt Railway Separate Operation decreased \$48,236, or 3.9 per cent, due to less diesel locomotive heavy material replacements this year. Higher wages amounted to \$12,662.

TRAFFIC:

Gross Traffic expense increased \$1,459, or 1.4 per cent; that portion chargeable to Belt Railway Separate Operation increased \$437. Higher wages amounted to \$1,001.

TRANSPORTATION:

Gross Transportation expense decreased \$255,338, or 2.8 per cent; that portion chargeable to Belt Railway Separate Operation decreased \$257,541, or 3.4 per cent. Higher wages amounted to \$150,291.

GENERAL:

Gross General expense decreased \$34,839, or 5.1 per cent; that portion chargeable to Belt Railway Separate Operation decreased \$31,351, or 5.7 per cent. Higher wages amounted to \$5,040.

RAILWAY TAX ACCRUALS:

Increase of \$54,344 is due principally to increase in Railroad Retirement and Unemployment Insurance taxes.

JOINT FACILITY RENT INCOME:

Increase of \$512,637 is due to interest on income tax deficiencies years 1948 through 1958 and increase in owner lines' proportion of rentals and taxes, less decrease in Belt deficit apportioned to owner lines.

HIRE OF FREIGHT CARS:

The faster handling of cars from increased efficiency particularly Rail to Water and industrial business, together with decrease in the number of per diem cars handled is reflected in the decrease of \$518,447, or 29.6 per cent, for freight car hire.

MISCELLANEOUS INCOME CHARGES:

Increase of \$585,839 is due to payment of interest to Director of Internal Revenue on income tax deficiencies years 1948 through 1958.

RENT FOR LEASED ROADS AND EQUIPMENT:

Increase of \$74,288 is due to additional rental paid to the Chicago and Western Indiana Railroad Company on excess proceeds realized from sales of Belt Railway leased property.

DIVIDEND:

In view of the deficit from Belt Railway operations for the year 1960, no dividend was paid.

WAGE AND LABOR RELATIONS:

The moratorium provisions of the three-year wage agreement with labor organizations expired on November 1, 1959, and new wage negotiations were commenced and concluded during 1960.

On October 17, 1960, an agreement was made between the carriers represented by the Eastern, Western and Southeastern Carriers' Conference Committees and employees represented by the five operating labor organizations to submit carriers' and employees' proposals for rules changes to a commission consisting of fifteen members, which shall investigate the facts and report its findings to the President of the United States on or before December 1, 1961, subject to extension of time not to exceed ninety days.

ADDITIONS AND BETTERMENTS:

Additions and Betterments are indicated in detail on pages 10 and 11.

NEW INDUSTRIES:

During the year twelve new industries were located and twenty-one vacated, compared with thirteen located and five vacated in 1959.

LAKE CARGO COAL:

Lake cargo coal operation at the Rail to Water Transfer Corporation facilities, South Chicago, opened April 1 and closed November 27. Coal tonnage handled over the facilities during the year totaled 5,368,760, a decrease of 507,282 tons, or 8.6 per cent, under the previous year.

SPECIAL:

Strikes adversely affecting our business occurred on the Grand Trunk Western and Pennsylvania Railroads September 1, and remained in effect through September 11; also, strike of grain elevators which went into effect on September 1 and remained in effect through September 21. This strike affected not only interchange movement of grain between connections but also affected the movement of grain in and out of elevators at South Chicago and 87th Street.

CHICAGO REGIONAL PORT AUTHORITY:

The request of the Rock Island and Nickel Plate for reconsideration of the order of the Interstate Commerce Commission in Finance Docket No. 19742, et al, authorizing the Belt and other railroads to serve the Calumet Port District at Lake Calumet in Cook County, Illinois, was denied by the Commission on March 25, 1960, the Commission reaffirming its earlier decision authorizing service to the Port by the Belt and other applicant railroads. The Nickel Plate has filed a suit in the District Court of the United States for the Northern District of Ohio, Eastern Division, to set aside the order of the Interstate Commerce Commission authorizing service to the Port, in which proceeding the Rock Island has filed its intervening complaint. This matter is pending in that court.

Detailed statement of the accounts of the Company will be found in the following tables.

The Board desires to express its appreciation for the cooperation and contributions of the employees and managerial staffs during the year.

Respectfully submitted by order of the Board of Directors.

L. A. EVANS

President and General Manager

INCOME STATEMENT

For the Year ended December 31, 1960, compared with the
Year ended December 31, 1959

	1960	1959	Increase or (Decrease)
RAILWAY OPERATING REVENUES:			
Intermediate switching	\$ 5,596,957	\$ 5,833,923	\$(236,966)
Local switching	8,157,867	8,729,037	(571,170)
Storage-Freight		5	(5)
Demurrage	455,871	354,660	101,211
Rents of buildings and other property	1,042	1,282	(240)
Miscellaneous	45,779	43,188	2,591
Total railway operating revenues ...	\$14,257,516	\$14,962,095	\$(704,579)
RAILWAY OPERATING EXPENSES:			
Maintenance of way and structures....	\$ 1,204,378	\$ 1,266,770	\$(62,392)
Maintenance of equipment	1,191,108	1,239,344	(48,236)
Traffic	83,761	83,324	437
Transportation-Rail line	7,270,781	7,528,322	(257,541)
General	514,538	545,889	(31,351)
Total railway operating expenses.... (Detail pages 13-16)	\$10,264,566	\$10,663,649	\$(399,083)
Net revenue from railway operations ..	\$ 3,992,950	\$ 4,298,446	\$(305,496)
Operating ratio	71.99	71.27	.72
RAILWAY TAX ACCRUALS:			
General property	\$ 977,308	\$ 980,907	\$(3,599)
Federal income	140,000	125,924	14,076
Retirement	481,577	463,015	18,562
Unemployment	267,521	243,409	24,112
Other	6,639	5,446	1,193
Total railway tax accruals	\$ 1,873,045	\$ 1,818,701	\$ 54,344
Railway operating income	\$ 2,119,905	\$ 2,479,745	\$(359,840)
RENT INCOME:			
Rent from locomotives	\$ 30,986	\$ 23,242	\$ 7,744
Rent from work equipment	1,482	1,642	(160)
Joint facility rent income	1,446,422	933,785	512,637
Total rent income	\$ 1,478,890	\$ 958,669	\$ 520,221
RENTS PAYABLE:			
Hire of freight cars-Debit balance....	\$ 1,235,291	\$ 1,753,738	\$(518,447)
Rent for locomotives	16	8	8
Rent for work equipment	Cr 78	78	(156)
Joint facility rents	166,055	155,091	10,964
Total rents payable	\$ 1,401,284	\$ 1,908,915	\$(507,631)
Net rents	\$ 77,606	\$ Dr950,246	\$1,027,852
Net railway operating income.....	\$ 2,197,511	\$ 1,529,499	\$ 668,012

INCOME STATEMENT - Concluded
For the Year ended December 31, 1960, compared with the
Year ended December 31, 1959

	1960	1959	Increase or (Decrease)
OTHER INCOME:			
Income from lease of road and equipment	\$ 30,823	\$ 26,406	\$ 4,417
Miscellaneous rent income	115,001	92,408	22,593
Interest income	63,113	61,929	1,184
Miscellaneous income	169	29,303	(29,134)
Total other income	\$ 209,106	\$ 210,046	\$ (940)
Total income	\$2,406,617	\$1,739,545	\$ 667,072
MISCELLANEOUS DEDUCTIONS FROM INCOME:			
Miscellaneous rents	\$ 1,800	\$ 1,031	\$ 769
Miscellaneous income charges	587,485	1,646	585,839
Total miscellaneous deductions	\$ 589,285	\$ 2,677	\$ 586,608
Income available for fixed charges ..	\$1,817,332	\$1,736,868	\$ 80,464
FIXED CHARGES:			
Rent for leased roads and equipment .. (Detail page 12)	\$1,809,406	\$1,735,118	\$ 74,288
Interest on funded debt	22,258	15,930	6,328
Total fixed charges	\$1,831,664	\$1,751,048	\$ 80,616
Income after fixed charges	\$ (14,332)	\$ (14,180)	\$ (152)

RETAINED INCOME-UNAPPROPRIATED
To December 31, 1960

Debit balance January 1, 1960	\$ 14,180
Debit balance transferred from income - Year 1960	14,332
Federal income tax deficiencies - Years 1948 through 1958	1,244,962
Debit balance December 31, 1960	<u>\$1,273,474</u>

COMPARATIVE GENERAL BALANCE SHEET

ASSETS

	December 31, 1960	December 31, 1959	Increase or (Decrease)
CURRENT ASSETS:			
Cash	\$ 80,943	\$ 402,634	\$ (321,691)
Temporary cash investments	1,295,578	1,800,665	(505,087)
Special Deposits	13,354	13,393	(39)
Traffic and car-service balances-Dr	287,387	146,005	141,382
Net balances receivable from agents and conductors	79,306	95,598	(16,292)
Miscellaneous accounts receivable .	876,392	843,902	32,490
Interest and dividends receivable .	3,538	3,539	(1)
Accrued accounts receivable	730,778	704,661	26,117
Working fund advances	699	699	-
Prepayments	106,306	135,607	(29,301)
Material and supplies	633,961	616,427	17,534
Total current assets	\$ 4,108,242	\$ 4,763,130	\$ (654,888)
INVESTMENTS:			
Other investments	\$ 1,697,098	\$ 1,697,098	\$ -
PROPERTIES:			
Road	\$ 524	\$ 524	\$ -
Equipment (See pages 11 and 18) ...	4,332,827	4,402,026	(69,199)
Improvements on leased property ...	17,795	15,557	2,238
Total transportation property	4,351,146	4,418,107	(66,961)
Accrued depreciation - Equipment ..	(1,771,416)	(1,668,545)	(102,871)
Total transportation property less recorded depreciation and amortization	\$ 2,579,730	\$ 2,749,562	\$ (169,832)
OTHER ASSETS AND DEFERRED CHARGES:			
Other assets	\$ 12,957	\$ 19,878	\$ (6,921)
Reserve for replacement of equip- ment leased from C&WI R.R. Co. - Retired-Equipment purchased from payments made by Belt Ry. Co. in anticipation of retirements	909,760	909,760	-
Other deferred charges	3,535	5,297	(1,762)
Total other assets and deferred charges	\$ 926,252	\$ 934,935	\$ (8,683)
Total assets	\$ 9,311,322	\$ 10,144,725	\$ (833,403)

NOTE.-Equipment leased by this company from Chicago and Western Indiana Railroad Company as of December 31, 1960, is valued at \$1,934,032 including \$931,152 inventory value of equipment leased November 1st, 1912.

DECEMBER 31, 1960 AND DECEMBER 31, 1959
LIABILITIES AND SHAREHOLDERS' EQUITY

	December 31, 1960	December 31, 1959	Increase or (Decrease)
CURRENT LIABILITIES:			
Audited accounts and wages payable	\$ 604,173	\$ 658,404	\$ (54,231)
Miscellaneous accounts payable	201,330	205,122	(3,792)
Unmatured interest accrued	1,991	3,319	(1,328)
Accrued accounts payable	128,869	137,404	(8,535)
Federal income taxes accrued	120,000	229,116	(109,116)
Other taxes accrued	1,128,306	1,149,120	(20,814)
Other current liabilities	10,002	16,091	(6,089)
Total current liabilities	\$ 2,194,671	\$ 2,398,576	\$ (203,905)
LONG-TERM DEBT, DUE, WITHIN ONE YEAR:			
Equipment obligations and other debt	\$ 236,000	\$ 236,000	\$ -
LONG-TERM DEBT:			
Equipment obligations	\$ 118,000	\$ 354,000	\$ (236,000)
Amounts payable to affiliated companies .	2,101,074	1,452,742	648,332
Total long-term debt	\$ 2,219,074	\$ 1,806,742	\$ 412,332
OTHER LIABILITIES AND DEFERRED CREDITS:			
Other liabilities	\$ 17,770	\$ 21,555	\$ (3,785)
Reserve for replacement of equipment leased from C&WI R.R. Co. - Retired - Equipment in the original inventory and replacements thereof	678	678	-
Reserve for replacement of equipment leased from C&WI R.R. Co. - Retired - Equipment purchased from bond proceeds and replacements thereof	131,367	131,367	-
Reserve for replacement of fixed physical property retired and not replaced. Lease November 1, 1912 with C&WI R.R. Co.	3,395	2,953	442
Other deferred credits	10,481	7,821	2,660
Reserve for depreciation on road property leased from C&WI R.R. Co.	1,717,971	1,568,569	149,402
Reserve for depreciation on equipment leased from C&WI R.R. Co.	933,389	864,644	68,745
Total other liabilities and deferred credits	\$ 2,815,051	\$ 2,597,587	\$ 217,464
SHAREHOLDERS' EQUITY:			
Capital stock issued (A)	\$ 3,120,000	\$ 3,120,000	\$ -
Retained income - unappropriated	(1,273,474)	(14,180)	(1,259,294)
Total Shareholders' equity	\$ 1,846,526	\$ 3,105,820	\$ (1,259,294)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 9,311,322	\$10,144,725	\$ (833,403)

(A) Owned one-thirteenth each - AT&SF, C&EI, CB&Q, CRI&P, Erie-Lackawanna, GTW, IC, Monon, Penn., Wabash, Soo Line. Two-thirteenths C&O.

ADDITIONS AND BETTERMENTS

For the year ended December 31, 1960

ROAD LEASED FROM C&WI R.R. CO.:

EXPENDITURES AND RETIREMENTS DURING THE YEAR:

Added:

Building and Yard Facilities - 22nd Street	\$ 54,569
Subway bridge - Cicero Ave. near 54th Street	12,112
Increase weight of rail, improved frogs and switches:	
Clearing Yard	18,690
Outside Clearing Yard	12,641
Crossover and telephone at Narragansett Ave.	9,254
Flashing light signals - 26th St. & Kolmar Ave.	6,922
Radio communicating equipment	5,596
Roadway machines and tools	4,674
Industry tracks:	
General Mills, Inc.	3,832
Bethlehem Steel Corp.	2,856
Miscellaneous improvements and adjustments:	
Clearing Yard	2,781
Outside Clearing Yard	4,328

\$138,255

Retired:

Buildings and tracks - North End	\$54,793
Real Estate and special assessments...	16,707
Embankment - 91st St. & State St.	9,744
Miscellaneous Facilities:	
Clearing Yard	9,245
Outside Clearing Yard	11,502

101,991

Net expenditures during the year:

Road Leased

\$36,264

ADDITIONS AND BETTERMENTS - Concluded **For the year ended December 31, 1960**

Brought forward		\$ 36,264
EQUIPMENT LEASED FROM C&WI R.R. CO.:		
Expenditures and Retirements during the year:		
Added:		
Radio equipment on Locos No's. 306, 403, 406 and 407	\$ 6,312	
Chevrolet Truck No. A45	2,811	
John Deere Portable Shelter on wheels No. W-1	2,055	
Mobile Portorator on Trucks No's. A23 and A43	381	
Net expenditures during the year:		
Equipment Leased		11,559
Total Leased additions and betterments		\$ 47,823
EQUIPMENT OWNED:		
Expenditures and Retirements during the year:		
Added:		
Radio equipment on Loco No. 409	\$ 1,546	
Farr Air Filters on Locos No's. 451, 452 and 456	1,002	
	\$ 2,548	
Retired:		
Diesel Locomotive No. 303	(71,747)	
Net expenditures during the year		(69,199)
Total leased and owned for the year 1960		\$ (21,376)

RENT FOR LEASED ROADS AND EQUIPMENT

For the Year ended December 31, 1960, compared with the
Year ended December 31, 1959

	1960	1959	Increase or (Decrease)
CHICAGO AND WESTERN INDIANA R.R.:			
Interest for one year at 4½%, as follows:			
\$14,000,000, the value placed upon the Belt Division of the Chicago and Western Indiana R.R. as it existed on May 11, 1911 and \$4,400,000, the cost to the Chicago and Western Indiana R.R. Co. of acquiring the property of Chicago Union Transfer Ry. Co...	\$ 828,000	\$ 828,000	\$
Interest for one year at 4% upon \$996,000 Consolidated Mortgage Bonds Chicago and Western Indiana R.R. Co. issued and used for additions and betterments to the Belt Division, made or acquired between May 11, 1911 and September 2, 1912.....	39,840	39,840	.....
Interest for one year at 5½% on \$2,993,694.24 represented by First and Refunding Mortgage Series "A" Bonds and \$98,000 Series "C" Bonds in sinking fund.....	170,043	170,043	.....
Interest for one year at 4½% on \$6,261,970.79 represented by First and Refunding Mortgage Series "D" Bonds in sinking fund September 1, 1952.....	266,134	266,134	.....
Interest for one year at 4-3/8% on \$6,478,436.75 First Collateral Trust Mortgage Series "A" Bonds to retire outstanding First and Refunding Mortgage 4½ Series "D" Bonds called for redemption September 1, 1952, interest at 4-3/8% on \$1,719,129.19 (new money) First Collateral Trust Mortgage Series "A" Bonds sold May 28, 1952, proceeds of which were or will be expended for future additions and betterments, also repayment of Bank loans and reimbursement of Treasury cash.....	358,644	358,644	.....
Payment to C&WI R.R. Co. as rental, income tax on profit from sales of Belt Ry. Co. leased property, amortization over the period of the lease of November 1, 1912 the Belt Ry. Co. proportion of expenses in connection with refinancing through sale of 4½ Bonds. Credit of interest at 4½% on \$301,237.63 covering adjustment of Joint Facility Zone rental and other miscellaneous rental charges.	84,077	9,790	(Note A) 74,287
Total.....	\$1,746,738	\$1,672,461	\$ 74,287
CHICAGO, PEORIA & WESTERN RY. CO.			
Track at Argo, Illinois.....	2,259	2,259	.....
CLEARING INDUSTRIAL DISTRICT, INC.			
Land and tracks at Clearing, Ill.....	60,388	60,387	1
AMERICAN BRAKE SHOE AND FOUNDRY CO.			
Strip of land located at 26th Street and Kenton Avenue.....	11	11	.....
RAIL TO WATER, INC.			
Land in the vicinity of 100th Street and Calumet River.....	10	10	.....
Total.....	\$1,809,406	\$1,735,118	\$ 74,288

Note "A": Due principally to increase in payment to Chicago and Western Indiana Railroad Company for income tax on profit from sales of Belt Ry. Co. leased property.

OPERATING EXPENSES

For the Year ended December 31, 1960, compared with the
Year ended December 31, 1959

	1960	1959	Increase or (Decrease)
MAINTENANCE OF WAY AND STRUCTURES:			
Superintendence	\$ 133,708	\$ 148,099	\$(14,391)
Roadway maintenance	115,888	143,665	(27,677)
Bridges, trestles, and culverts	10,899	20,272	(9,373)
Ties	47,672	40,395	7,277
Rails	61,530	77,433	(15,903)
Other track material	71,369	104,987	(33,618)
Ballast	1,610	3,302	(1,692)
Track laying and surfacing	256,621	301,758	(45,137)
Fences, snowsheds, and signs	1,616	2,603	(987)
Station and office buildings	52,991	59,973	(6,982)
Roadway buildings	10,819	6,918	3,901
Water stations	1,948	2,299	(351)
Fuel stations	458	409	49
Shops and enginehouses	38,332	39,515	(1,183)
Wharves and docks	40	38	2
Communication systems	25,565	30,668	(5,103)
Signals and interlockers	234,960	160,197	74,763
Power plants	7,572	9,731	(2,159)
Power-transmission systems	-	6	(6)
Miscellaneous structures	8,053	7,593	460
Road property - Depreciation (Leased) .	159,838	159,939	(101)
Retirements - Road	8,848	7,380	1,468
Roadway machines	16,653	11,686	4,967
Dismantling retired road property	11,323	6,365	4,958
Small tools and supplies	25,395	27,262	(1,867)
Removing snow, ice, and sand	116,849	117,657	(808)
Public improvements - Maintenance	6,994	7,000	(6)
Injuries to persons	11,638	19,628	(7,990)
Insurance	29,648	29,951	(303)
Stationery and printing	2,286	2,103	183
Other expenses	20,729	23,205	(2,476)
Right-of-way expenses	-	8,174	(8,174)
Maintaining joint tracks, yards and other facilities - Dr.	100,311	91,719	8,592
Gross total	\$1,592,163	\$1,671,830	\$(79,667)
Maintaining joint tracks, yards and other facilities - Cr.	387,785	405,060	(17,275)
Net - Belt Railway - Separate operation	\$1,204,378	\$1,266,770	\$(62,392)
Ratio to operating expenses	8.45	8.47	(.02)

OPERATING EXPENSES - Continued
For the Year ended December 31, 1960, compared with the
Year ended December 31, 1959

	1960	1959	Increase or (Decrease)
MAINTENANCE OF EQUIPMENT:			
Superintendence	\$ 76,146	\$ 74,884	\$ 1,262
Shop machinery	15,247	16,691	(1,444)
Power-plant machinery	16,419	17,969	(1,550)
Shop and power plant machinery - Depreciation (Leased)	10,770	10,754	16
Dismantling retired shop and power plant machinery	-	-	-
Other locomotives - Repairs	469,498	521,603	(52,105)
Freight-train cars - Repairs	292,530	297,343	(4,813)
Work equipment - Repairs	4,057	3,191	866
Miscellaneous equipment - Repairs	10,293	10,113	180
Dismantling retired equipment (Leased) .	121	189	(68)
Equipment - Depreciation (Leased)	68,745	68,639	106
Equipment - Depreciation (Owned)	169,587	172,226	(2,639)
Injuries to persons	14,904	14,212	692
Insurance	58,185	49,245	8,940
Stationery and printing	4,448	4,528	(80)
Other expenses	20,372	17,693	2,679
Joint maintenance of equipment expenses - Dr.	133,373	137,556	(4,183)
Gross total	\$1,364,695	\$1,416,836	\$(52,141)
Joint maintenance of equipment expenses - Cr.	173,587	177,492	(3,905)
Net - Belt Railway - Separate operation	\$1,191,108	\$1,239,344	\$(48,236)
Ratio to operating revenues	8.34	8.28	.06
TRAFFIC:			
Superintendence	\$ 29,482	\$ 30,689	\$(1,207)
Outside agencies	69,575	64,355	5,220
Advertising	3,279	4,797	(1,518)
Stationery and printing	2,714	3,749	(1,035)
Other expenses	79	80	(1)
Gross total	\$ 105,129	\$ 103,670	\$ 1,459
Charged to Owner Line operation	21,368	20,346	1,022
Net - Belt Railway - Separate operation	\$ 83,761	\$ 83,324	\$ 437
Ratio to operating revenues	.59	.55	.04

OPERATING EXPENSES - Continued
For the Year ended December 31, 1960, compared with the
Year ended December 31, 1959

	1960	1959	Increase or (Decrease)
TRANSPORTATION - RAIL LINE:			
Superintendence	\$ 382,123	\$ 384,626	\$(2,503)
Dispatching trains	61,128	59,565	1,563
Station employees	868,547	864,023	4,524
Weighing, inspection, and demurrage bureaus	5,316	4,999	317
Station supplies and expenses	77,043	81,332	(4,289)
Yardmasters and yard clerks	569,528	584,949	(15,421)
Yard conductors and brakemen	2,564,606	2,616,748	(52,142)
Yard switch and signal tenders	356,343	358,128	(1,785)
Yard enginemen	1,747,918	1,729,993	17,925
Yard switching fuel	308,842	336,516	(27,674)
Water for yard locomotives	2,174	1,966	208
Lubricants for yard locomotive	37,537	35,106	2,431
Other supplies for yard locomotives	27,894	31,806	(3,912)
Enginehouse expenses - Yard	176,200	174,286	1,914
Yard supplies and expenses	592,933	601,418	(8,485)
Crossing protection	45,034	50,323	(5,289)
Communication system operation	20,139	19,837	302
Stationery and printing	69,065	73,603	(4,538)
Other expenses	48,985	52,517	(3,532)
Insurance	57,830	51,816	6,014
Clearing wrecks	26,908	29,447	(2,539)
Damage to property	13,328	19,137	(5,809)
Loss and damage - Freight	87,379	78,339	9,040
Injuries to persons	64,694	226,490	(161,796)
Operating joint yards and terminals - Dr.	559,501	559,363	138
Gross total	\$8,770,995	\$9,026,333	\$(255,338)
Operating joint yards and terminals - Cr.	1,500,214	1,498,011	2,203
Net - Belt Railway - Separate operation	\$7,270,781	\$7,528,322	\$(257,541)
Ratio to operating revenues	51.00	50.32	.68

OPERATING EXPENSES - Concluded
For the Year ended December 31, 1960, compared with the
Year ended December 31, 1959

	1960	1959	Increase or (Decrease)
GENERAL:			
Salaries and expenses of general officers	\$ 123,662	\$ 128,437	\$(4,775)
Salaries and expenses of clerks and attendants	298,912	299,760	(848)
General office supplies and expenses	47,241	48,822	(1,581)
Law expenses	54,977	58,448	(3,471)
Insurance	22,713	884	21,829
Pensions and gratuities	45,442	45,596	(154)
Stationery and printing	15,483	15,424	59
Valuation expenses	359	221	138
Other expenses	34,917	81,977	(47,060)
General joint facilities - Dr.	4,695	3,671	1,024
Gross total	\$ 648,401	\$ 683,240	\$(34,839)
General joint facilities - Cr.	138,863	137,351	(3,488)
Net - Belt Railway - Separate operation	\$ 514,538	\$ 545,889	\$(31,351)
Ratio to operating revenues	3.61	3.65	(.04)
Total gross	\$12,481,383	\$12,901,909	\$(420,526)
Total deductions	2,216,817	2,238,260	(21,443)
Total operating expense - (Belt Railway - Separate operation)	\$10,264,566	\$10,663,649	\$(399,083)
Ratio to operating expenses	71.99	71.27	.72
Operating revenue per car	\$ 14.197	\$ 13.947	\$.250
Operating expenses per car	\$ 10.221	\$ 9.940	\$.281

CARS HANDLED

Cars Handled by The Belt Railway Company of Chicago in its "Separate Operations"	1960		1959		Increase or (Decrease) Percent
	Number	Percent	Number	Percent	
INTERCHANGE:					
Loaded cars	304,974	30.37	316,781	29.53	(3.73)
Empty cars	224,396	22.35	235,163	21.92	(4.58)
LOCAL:					
Loaded cars	247,010	24.59	267,486	24.93	(7.65)
Empty cars	227,889	22.69	253,362	23.62	(10.05)
Total	1,004,269	100.00	1,072,792	100.00	(6.39)
TOTAL:					
Loaded cars	551,984	54.96	584,267	54.46	(5.53)
Empty cars	452,285	45.04	488,525	45.54	(7.42)
Total	1,004,269	100.00	1,072,792	100.00	(6.39)
Cars interchanged directly between Owner Roads at Clearing and other yards, being handled by the Belt Railway through those yards	446,634		460,354		(2.98)
Cars handled by Owner Lines in direct movement over Belt Railway Co. of Chicago	340,463		346,523		(1.75)
Total cars handled	1,791,366		1,879,669		(4.70)

The following statement shows the number of cars handled by The Belt Railway Company of Chicago in its "separate operations" annually during the past five years.

Year	Interchange		Local		Total Cars
	Loaded	Empty	Loaded	Empty	
1956	381,289	272,906	315,939	279,228	1,249,362
1957	348,887	303,703	301,219	281,233	1,235,042
1958	298,936	276,107	265,701	250,291	1,091,035
1959	316,781	235,163	267,486	253,362	1,072,792
1960	304,974	224,396	247,010	227,889	1,004,269

The following statement shows the number of cars interchanged during the last five years directly between Owner Roads at Clearing and other yards, being handled by the Belt Railway through those yards, also cars handled by Owner Lines in direct movement over The Belt Railway Company of Chicago.

Year	Number of Cars
1956	752,903
1957	733,570
1958	827,565
1959	806,877
1960	787,097

EQUIPMENT LEASED FROM C. & W. I. R.R. CO.

	Number on Hand Dec. 31 1959	Number Added During Year	Number Retired During Year	Number on Hand Dec. 31 1960
Locomotives:				
Diesel	16	0	0	16
Freight-Train Cars:				
Box	1	0	0	1
Caboose	28	0	0	28
Total	29	0	0	29
Work Equipment:				
Wrecking derrick	1	0	0	1
Diesel clamshell	1	0	0	1
Tool car	1	0	0	1
Commissary car	1	0	0	1
Total	4	0	0	4
Miscellaneous Equipment:				
Automobile trucks	11	1	0	12
Automobile trailer	0	1	0	1
Total	11	2	0	13

EQUIPMENT OWNED

Locomotives:				
Diesel	31	0	1	30
Freight-Train Cars:				
Caboose	5	0	0	5
Box	1	0	0	1
Total	6	0	0	6
Work Equipment:				
Flat cars	4	0	0	4
Gondola cars	2	0	0	2
Truck car	1	0	0	1
Refrigerator cars	1	0	0	1
Instruction car	1	0	0	1
Total	9	0	0	9
Miscellaneous Equipment:				
Automobile trucks	3	0	0	3
Station Wagon	1	0	0	1
Total	4	0	0	4

MILEAGE OF TRACK OPERATED

A - Leased From C&WI R.R. Co. B - Leased From Other Companies C - Operated Under Trackage Rights C&WI R.R. Co. D - Operated Under Trackage Rights - Other Companies	1960				
	First Main	Second Main	Other Mains	Yard Tracks and Sidings	Total
A - 1 - Cragin to Pullman Junction	19.32	19.31	.....	64.06	102.69
2 - Pullman Jct. to Commercial Ave. ..	2.10	2.05	.....	34.03	38.18
3 - Commercial Ave. to Steel Mills ...	.....	.....	.....	1.06	1.06
4 - Commercial Ave. to So. Deering ...	.....	.....	.....	37.49	37.49
5 - Main Line 55th St. to Elsdon	1.51	.....	.....	.17	1.68
6 - Clearing Yard, Incl. 59th St. Line	4.23	4.24	.....	176.07	184.54
Total	27.16	25.60	.....	312.88	365.64
B - 7 - Chicago, Peoria & Western (Argo) ..	.....	.....	.....	.52	.52
8 - Clearing Industrial District (North)	.....	.....	.....	12.89	12.89
8A - Clearing Industrial District (South)	.....	.....	.....	1.74	1.74
Total .....	.....	.....	.....	15.15	15.15
C - 9 - Pullman Jct. to Burnham	6.75	6.77	2.30	4.69	20.51
10 - 80th to 134th St. (Dolton Branch).	6.74	6.76	3.81	.29	* 17.60
11 - 40th St. to 74th St. ....	.....	.....	4.26	.....	* 4.26
Total	13.49	13.53	10.37	4.98	42.37
D - 12 - C.R.I. & P. Ry.-South Chicago.....	.....	.....	.....	1.57	1.57
13 - P.F.W. & C. Ry.-South Chicago.....	.....	.....	.....	.09	.09
14 - I.H.B.R.R. - 55th to Elsdon.....	1.41	1.40	.....	.....	* 2.81
15 - B.&O.C.T. R.R. Clearing to Proviso.	9.05	8.09	.....	13.70	30.84
16 - B.&O.C.T. R.R. Southwest Division. (Cicero District).....	.....	.....	.....	6.08	6.08
17 - N.Y.C. & St. L.R.R.-Ford Yd. & Lead.	.....	.....	.....	1.26	1.26
18 - Calumet Western R.R. 112th to 116th St.	.51	.....	.....	.....	.51
19 - Pennsylvania R.R. & I.H.B. R.R. (Joint) 116th to 117th St.	.11	.....	.....	.....	.11
20 - Chicago West Pullman and Southern R.R. So. Chicago.....	.....	.....	.....	.09	.09
21 - Elgin Joliet & Eastern Ry. Burnham	.....	.....	.....	.17	.17
Total	11.08	9.49	.....	22.96	43.53
Grand Total	51.73	48.62	10.37	355.97	466.69

*Trackage Rights Not Exercised.

Above figures do not include yard tracks leased to The Belt Railway Co. of Chicago by Chicago and Western Indiana Railroad Co., but operated exclusively as follows:

1960

1.46 Miles - Warner Branch by C.W.P. & S.R.R.

9.20 Miles - Rockwell St. Yard by C. & O. Ry. Co.

10.66 Miles - Leased to but not operated by The Belt Ry. Co. of Chicago

TRACAGE RIGHTS GRANTED OTHER COMPANIES

Company	Location	Miles of Road 1960
I.H.B. R.R.	Elsdon Branch	1.51
E.J. & E. Ry.	South Chicago to Millgate & South Deering	3.40
Chicago Short Line .	South Chicago to South Deering	2.90
Total		7.81